

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:	Chapter 11
Rancher's Legacy Meat Co.,	Case 19-32928
Debtor.	

DECLARATION OF JOHN H. HEIDEBRECHT

John H. Heidebrecht, under penalty of perjury, declares the following to be true of his own knowledge.

- 1 I am a financial consultant employed by Berning & Heidebrecht, Ltd. a Medina, Minnesota-based consulting firm. I am currently a shareholder and the Vice-President of our firm. I am often retained to assist individuals and businesses with complex financial matters and to testify in court concerning such matters.
- 2 Berning & Heidebrecht, Ltd. has been hired by James Ratcliff to evaluate whether the Debtor can operate on a cash-flow positive basis, both on a short term and a long-term basis and to perform such other services within our expertise as required in the case.
- 3 Attached as Exhibit A is my curriculum vitae showing my education, professional background and my experience.
- 4 The bases for my opinions include the documents and information provided by counsel, my general business experience and educational background.
- 5 Fees for services performed by Berning & Heidebrecht, Ltd. professionals have been charged at an hourly rate of \$165-\$275 per hour for time incurred, plus out-of-pocket expenses. My current rate is \$275 per hour. My work on this case is anticipated to be

ongoing and Berning & Heidebrecht, Ltd.'s fees are not contingent upon the outcome of this Chapter 11 proceeding.

6 Attached as Exhibit B is a spreadsheet based upon a review of the Debtor's own financial information for May of 2018 to April of 2019. The analysis also is based upon consultation with counsel for Mr. Ratcliff concerning the initial pricing of hamburger patties per a new contract entered into by the Debtor in September of this year and the guaranteed margin of .25/pound for the new contract. Exhibit B shows that over the next year the Debtor will lose significant sums of money if the income and costs of operation are similar to those sums expended in 2018 and the revenue of the debtor is equal to the 2018 revenue as supplemented by the revenue from the new hamburger patty supply contract. The largest additional costs are administrative costs from operating under Chapter 11 for a year. Averaging the costs and revenue from the yearly projection to describe the use of cash in the first 13 weeks of the case shows that the Debtor will lose cash collateral in the amount of \$334,095 during that time.

7 Attached as Exhibit C is a spreadsheet that is based upon the Exhibit prepared by Rod Peterson [Docket 74] as adjusted as follows (all changes highlighted in brown):

- A. A column marked "Petition Date 9/20/19" was added to the left of the first column in Mr. Peterson's spreadsheet "Actual 9/27/19."
- B. Half of the amount in "Sales Not Previously Reported for W/E 09.21.19" of \$229,726.56 was extracted from the column "Actual 9/27/19" and put into the column "Petition Date 9/20/19" to reflect that this amount was the estimated total for pre-petition sales for Debtor's work week that ended on Saturday, September 20.
- C. After the pre-petition sales of \$114,863 (half of the "sales Not Previously Reported for W/E 09.21.19") were added as accounts receivable in the column Petition Date 9/20/19, ending accounts receivable (the actual amount of accounts receivable on the petition date) was corrected to \$1,159,537.

- D. This increase in accounts receivable as of the petition date increased the line item "total pre-petition estate value" as of the petition date to \$1,318,015.
 - E. The US Trustees Fees were increased from \$50,000 to \$90,000.
 - F. An additional line was added at the bottom of the spreadsheet to denote the increase or decrease in cash collateral on a period-by-period basis.
8. The changes in Exhibit C appropriately classifying the starting cash collateral and correcting for the underreporting of the US Trustee's fee show that the Debtor will be unable to keep their cash collateral above the starting point at the end of the 13 weeks covered by the spreadsheet even using most of the figures for income and expenses used by Mr. Peterson. The amount of total loss of cash collateral is <\$39,769> as of the week ending January 24, 2020 even using the revenue assumptions of the Debtor's expert Mr. Peterson.

Further your declarant saith not.

Dated: October 22, 2019


John H. Heidebrecht

EXHIBIT A



PROFESSIONAL QUALIFICATIONS

JOHN H. HEIDEBRECHT, ASA, CFE, MAFF, CDFA, CAC, MBA

PROFESSIONAL DESIGNATIONS AND ADVANCED DEGREES

- Accredited Senior Appraiser in Business Valuation (ASA), American Society of Appraisers
- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners
- Master Analyst in Financial Forensics (MAFF), National Association of Certified Valuation Analysts
- Certified Divorce Financial Analyst (CDFA), Institute for Divorce Financial Analysts
- Compensation Analyst Credential (CAC), Economic Research Institute
- Master of Business Administration (MBA), Finance

PROFESSIONAL EXPERIENCE

- **Shareholder** – Berning & Heidebrecht, Ltd Medina, Minnesota – 2003 to present. Specializing in business valuation and complex financial litigation support.

Preparation of business appraisal and expert reports for marital dissolution, estate and gift tax planning, ESOPs, charitable contributions, S-corporation election, mergers and acquisitions, buy/sell agreements, business succession planning, purchase price allocations, goodwill impairment analysis, executive compensation, dissenting shareholder actions, lost profits/damages, forensic accounting, bankruptcy proceedings and other litigation matters.

Appraisal experience includes the valuation of intangible assets and private companies in numerous industries with annual revenues ranging from \$0 (startup) to more than \$1 billion.

Litigation support experience includes lost profit analysis, economic damage calculations, insolvency analysis, wrongful termination lost wage calculations, forensic accounting, non-marital and marital determination, property division, tax and cash flow projections, cost of living analysis, expert witness testimony and functioning as the FENE and Court appointed neutral expert.

Management consulting experience includes succession planning, merger and acquisition consulting, operations management, financial management, financial modeling, compensation analysis and feasibility studies.

- **Manager** – Baker Tilly Virchow Krause, LLP (formerly Virchow, Krause & Company, LLP), Minneapolis, Minnesota – 2000 to 2003.
- **Manager** – Abdo, Eick & Meyers, LLP (formerly Baune, Dosen & Co., LLP), Edina, Minnesota – 1994 to 2000.

EDUCATION

- St. Cloud State University: Received Master of Business Administration degree with a concentration in Finance.
- University of Minnesota – Carlson School of Management: Received Bachelor of Science in Business degree with a concentration in Finance.

PROFESSIONAL AFFILIATIONS

- Member, American Society of Appraisers
- Board Member, Minnesota Association of Business Valuation Professionals
- Member, Association of Certified Fraud Examiners
- Member, Twin Cities Chapter of Certified Fraud Examiners
- Member, National Association of Certified Valuation Analysts
- Member, Institute for Divorce Financial Analysts
- Family Business Advisors Group
- Past President (2 terms), Minnesota Association of Business Valuation Professionals
- Past President (2 terms), Twin Cities Chapter of the American Society of Appraisers
- Past President, Institute of Business Appraisers North Central Chapter

PROFESSIONAL SPEAKING

- Developed and Presented Minnesota CLE's *Family Law Finance: Update on the Impact of the New Tax Plan on Divorce Clients and Lawyers* Live Webcast Seminar (2019).
- Faculty for Minnesota CLE and Minnesota State Bar Association's 40th Annual Family Law Institute. Presentation entitled, "Update on the Impact of the New Tax Plan on Divorce Clients and Lawyers" (2019).
- Featured Speaker for 18th Annual MNCPA Business Valuation Conference. Presentation entitled, "What we can Learn from the Lund's Case" (2018).
- Developed and Presented Minnesota CLE's *Family Law Series: Business Valuations in Divorce* Live Webcast Seminar (2018).
- Developed and Presented Minnesota CLE's *Family Law Series: Understanding the Tax Aspects of Divorce Under the New Tax Law* Live Webcast Seminar (2018).
- Developed and Presented Minnesota CLE's *The Impact of the New Tax Plan on Divorce Clients and Lawyers* Live Webcast Seminar (2018).

- Developed and Presented Minnesota CLE's *Advanced Business Valuation Concepts* Live Webcast Seminar (2018).
- Featured Speaker for Minnesota Association of Business Valuation Professionals' October meeting. Presentation entitled, "A Case Study: Lunds & Byerlys" (2017).
- Featured Speaker for American Academy of Matrimonial Lawyers Minnesota Chapter's January meeting. Presentation entitled, "Tax Consequences to Assets in Light of *Curtis v. Curtis* (2017).
- Developed and Presented Minnesota CLE's *Family Law Series: Understanding Basic Family Law Accounting Principles* Live Webcast Seminar (2016).
- Developed and Presented Minnesota CLE's *Family Law Series: The Top 10 Financial Cases Every Family Lawyer Must Know* Live Webcast Seminar (2016).
- Faculty for Minnesota State Bar Association's Real Estate Institute. Presentation entitled, "Beyond the Basics: Considerations that Influence the Business Valuation for Holding Companies/Family Limited Partnerships" (2016).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *Probate & Trust Law Section Conference*. Presentation entitled, "Holding Company/Family Limited Partnerships – Focused on Ag-Related Issues and Holdings" (2016).
- Developed and Presented Minnesota CLE's *Business Valuation: Understanding Key Concepts* Live Webcast Seminar (2016).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *International Valuation for Corporate Professionals* Course (2016).
- Faculty for Minnesota State Bar Association's Business Law Institute. Presentation entitled, "Buy-Sell Agreements: The Good, the Bad and the Ugly" (2016).
- Planning Task Force for *26th Annual Business Valuation Conference*, University of St. Thomas (2016).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *37th Annual Family Law Institute (Judicial Officer Only Track)*. Presentation entitled, "Demystifying the Property and Business Valuation Process" (2016).
- Developed and Presented Minnesota CLE's *Intellectual Property Series: Intangible Property – Transfer Pricing and International Valuation* Live Webcast Seminar (2016).
- Developed and Presented Minnesota CLE's *Business Law Series: Buy-Sell Agreements* Live Webcast Seminar (2016).
- Developed and Presented Minnesota CLE's *Business Law Series: Business Valuations for Shareholder Disputes* Live Webcast Seminar (2016).
- Developed and Presented Twin Cities Chapter-Society of Financial Service Professionals: *Tax and Financial Aspects of Divorce* (2015).
- Developed and Presented Minnesota CLE's *Family Law Series: Business Valuations in Divorce* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *Family Law Series: Non-Marital Tracing* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *New Lawyer Experience: What You Need to Know about Accounting* Live Webcast Seminar (2015).

- Developed and Presented Minnesota CLE's *Buy-Sell Agreements* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *Family Law Non-Marital Tracing* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *Family Law Business Valuations* Live Webcast Seminar (2015).
- Faculty for Minnesota CLE and Minnesota State Bar Association's 36th *Annual Family Law Institute*. Presentation entitled, "The Top 10 Cases Every Family Lawyer Must Know" (2015).
- Developed and Presented Minnesota CLE's *Business Law Series: Advanced Business Valuation* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *Business Law Series: Buy-Sell Agreements* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *Business Law Series: Business Valuation Basics – What Judges and Attorneys Really Need to Know* Live Webcast Seminar (2015).
- Planning Task Force and Faculty for 25th *Annual Business Valuation Conference*, University of St. Thomas. Presentation entitled, "Case Law Update" (2015).
- Developed and Presented Minnesota CLE's *Bankruptcy/Debtor-Creditor Series: Valuations* Live Webcast Seminar (2015).
- Developed and Presented Minnesota CLE's *Family Law Series: Non-Marital Tracing and Other Complex Financial Issues in Divorce* Live Webcast Seminar (2014).
- Developed and Presented Minnesota CLE's *Family Law Series: Understanding the Tax Aspects of Divorce* Live Webcast Seminar (2014).
- Developed and Presented Minnesota CLE's *Business Law Series: Buy-Sell Agreements* Live Webcast Seminar (2014).
- Developed and Presented Minnesota CLE's *New Lawyer Experience: What the New Lawyer Needs to Know about Accounting – Understanding Business Valuations, Financial Statements, Property Division, and Tax Returns* Live Webcast Seminar (2014).
- Developed and Presented Minnesota CLE's *Understanding Financial Statements & Tax Returns for Attorneys* Live Webcast Seminar (2014).
- Developed and Presented Minnesota CLE's *Business Valuation: What Judges and Attorneys Really Need to Know* Live Webcast Seminar (2014).
- Developed and Presented Minnesota CLE's *Business Law Series: Business Valuation for Shareholder Disputes* Live Webcast Seminar (2014).
- Faculty for 24th *Annual Business Valuation Conference*, University of St. Thomas. Presentation entitled, "Court Case Update" (2014).
- Featured Speaker for Dakota County Family Law Section's November meeting. Presentation entitled, "Real Nightmares Tracing Non-Marital Interests in Real Property" (2013).
- Faculty for Minnesota Society of CPA's 59th *Annual MNCPA Tax Conference*. Presentation entitled, "Tax and Financial Aspects of Divorce" (2013).

John H. Heidebrecht, ASA, CFE, MAFF, CDFA, CAC, MBA

Professional Qualifications

Page 5 of 11

- Developed and Presented Minnesota CLE's *Family Law Series: Business Valuation for Divorce* Live Webcast Seminar (2013).
- Developed and Presented Minnesota CLE's *Business Valuations: What You Need to Know* Live Webcast Seminar (2013).
- Developed and Presented Minnesota CLE's *Reading/Understanding Financial Statements & Tax Returns for Attorneys* Live Webcast Seminar (2013).
- Faculty for Minnesota CLE and Minnesota State Bar Association's 34th *Annual Family Law Institute*. Presentation entitled, "Buying and Selling a Law Practice" (2013).
- Developed and Presented Minnesota CLE's *Business Law Series: Buy-Sell Agreements* Live Webcast Seminar (2013).
- Planning and Education Task Force for 23rd *Annual Business Valuation Conference*, University of St. Thomas (2013).
- Faculty for Minnesota CLE and Minnesota State Bar Association Business Law Section's *The Minnesota Closely Held Business Conference*. Presentation entitled, "Valuation of Closely Held Businesses" (2013).
- Developed and Presented Minnesota CLE's *Intellectual Property Series: Damages – A Financial Perspective* Live Webcast Seminar (2012).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *Advising the Family Business Owner About Succession & Estate Planning Issues Conference*. Presentation entitled, "Valuation of Business Interests" (2012).
- Developed and Presented Minnesota CLE's *Reading/Understanding Financial Statements & Tax Returns for Attorneys* Live Webcast Seminar (2012).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *Foundations of Practice: Family Law Basics*. Presentation entitled, "Divorce Math: Financial Calculations in Divorce Cases" (2012).
- Developed and Presented Minnesota CLE's *Business Valuation: What Judges and Attorneys Really Need to Know* Live Webcast Seminar (2012).
- Developed and Presented Minnesota CLE's *Managing Complex Family Law Non-Marital Issues* Live Webcast Seminar (2012).
- Faculty for Minnesota CLE and Minnesota State Bar Association's 33rd *Annual Family Law Institute*. Presentation entitled, "Understanding Complex Non-Marital Issues" (2012).
- Planning and Education Task Force for 22nd *Annual Business Valuation Conference*, University of St. Thomas (2012).
- Developed and Presented Minnesota CLE's *Intellectual Property Series: Damages – A Financial Perspective* Live Webcast Seminar (2011).
- Developed and Presented Institute of Business Appraisers North Central Chapter's *Valuation of Personal Goodwill* (2011).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *Business Valuations for CPAs Who Won't Be Preparing Independent Valuations Course* (2011).

- Developed and Presented Institute of Business Appraisers North Central Chapter's *Update: Significant Recent Court Cases & Key Changes to Federal Rules of Civil Procedure* (2011).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *32nd Annual Family Law Institute*. Presentation entitled, "Managing Complex Non-Marital Issues" (2011).
- Developed and Presented Minnesota CLE's *Business Valuation for Probate & Estate Lawyers* Live Webcast Seminar (2011).
- Moderator and Conference Committee Member for American Society of Appraisers' *21st Annual Business Valuation Conference*. "Is this the New Normal?" (2011).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *Introduction to Minnesota Family Law*. Presentation entitled, "Divorce Math: Financial Calculations in Divorce Cases" (2011).
- Developed and Presented Minnesota CLE's *Intellectual Property Series: Damages – A Financial Perspective* Live Webcast Seminar (2010).
- Chairperson and Featured Speaker for Hennepin County Bar Association's *Business Valuation Implications in the Current Economy* Live Seminar and Live Webcast (2010).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *31st Annual Family Law Institute*. Presentation entitled, "Basic Family Law Math: Financial Calculations in Divorce Cases" (2010).
- Developed and Presented Minnesota CLE's *Business Law Series: Business Valuations* Live Webcast Seminar (2009).
- Faculty for 10th Judicial District Law Clerks Continuing Legal Education. Presentation entitled, "Business Valuations: Family Law Topics" (2009).
- Developed and Presented Minnesota CLE's *Family Law Series: Advanced Business Valuation and Accounting* Live Webcast Seminar (2009).
- Developed and Presented Minnesota CLE's *Family Law Series: General Valuation and Accounting* Live Webcast Seminar (2009).
- Developed and Presented Minnesota CLE's *Business Valuation in the Economic Downturn* Live Webcast Seminar (2009).
- Featured Speaker for Minnesota Paralegal Association's Annual Convention. Presentation entitled, "Business Valuation: Understanding the Process" (2009).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *Business Valuations for CPAs Who Won't Be Preparing Independent Valuations* Course (2009).
- Chairperson and Featured Speaker for Hennepin County Bar Association's *Business Valuation in the Economic Downturn* Live Seminar and Live Webcast (2009).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *Business Valuations for CPAs in Industry* Course (2009).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *30th Annual Family Law Institute*. Presentation entitled, "Basic Family Law Math: Financial Calculations in Divorce Cases" (2009).

- Moderator for American Society of Appraisers' *19th Annual Business Valuation Conference*. "Riding out the Storm: How Do You Assess Risk and Determine Value in a Turbulent Economy?" (2009).
- Developed and Presented Minnesota CLE's *Business Valuation: What You Really Need to Know* Live Webcast Seminar (2008).
- Featured Speaker for Minnesota Paralegal Association's October meeting. Presentation entitled, "Fundamentals of Business Valuation" (2008).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *29th Annual Family Law Institute*. Panel Presentation entitled, "Working With Business Valuation Experts" (2008).
- Featured Speaker for Hennepin County Bar Association's *What is a Business Worth? What the Numbers Really Mean* Local Seminar and Live National Webcast (2008).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *New Lawyer Experience*. Presentations entitled, "Reading Financial Statements and Tax Returns for Lawyers" (2008).
- Presented (repeat presentation) Minnesota CLE's *Understanding Non-Marital Tracing* Live Webcast Seminar (2007).
- Featured Speaker for Hennepin County Bar Association's *Business Valuation: What Attorneys and Judges Need to Know* Seminar (2007).
- Developed and Presented Minnesota CLE's *Reading Financial Statements and Tax Returns for Lawyers* Live Webcast Seminar (2007).
- Developed and Presented Minnesota CLE's *Introduction to Business Valuation for Attorneys* Live Webcast Seminar (2007).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *28th Annual Family Law Institute*. Presentation entitled, "Understanding Non-Marital Tracing" (2007).
- Faculty for Business Killers' *Avoiding the 6 Mistakes that Can Destroy Your Business and Your Future* Seminar (2007).
- Developed and Presented Minnesota CLE's *Understanding Non-Marital Tracing* Live Webcast Seminar (2007).
- Developed and Presented Minnesota CLE's *Reading Financial Statements and Tax Returns for Lawyers* Live Webcast Seminar (2006).
- Developed and Presented Minnesota CLE's *Introduction to Business Valuation for Attorneys* Live Webcast Seminar (2006).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *27th Annual Family Law Institute*. Presentation entitled, "Case Law Update: Business Assets, Income and Property Issues" (2006).
- Moderator for American Society of Appraisers' *16th Annual Business Valuation Conference*. "Interact and Update: Learn How the Latest Professional Developments Affect Your Appraisal Practice" (2006).
- Moderator for Minnesota CLE and Minnesota State Bar Association's *The Lawyer's Guide to Business Valuations* video replay (2006).
- Faculty and Co-Planner for Minnesota CLE and Minnesota State Bar Association's *The Lawyer's Guide to Business Valuations*. Presentations entitled, "Business Valuations in

Divorce Litigation,” included personal goodwill as a separate and distinguishable intangible asset, and “Common and Uncommon Mistakes Made by Business Appraisers,” included relevant case law, reading and critiquing business valuation reports, and dealing with a valuation expert in a litigation setting (2005).

- Faculty for National Business Institute’s *Tax Aspects of Divorce in Minnesota*. Presentation entitled, “Pay Attention to Key Concerns in the Valuation of Closely Held Business Assets” (2005).
- Faculty and Conference Committee Board Member for American Society of Appraisers’ *15th Annual Business Valuation Conference*. “Learn Real World Valuation.” Panelist in conference session entitled, “Unique Value Assignments, Books of Interest, Management Standards, Personal vs. Business Goodwill, A Case in Point and More.” Presentations entitled, “Unique Assignments” and “Communicating Appraisal Information to Attorneys” (2005).
- Faculty for Minnesota CLE and Minnesota State Bar Association’s *26th Annual Family Law Institute*. Presentation entitled, “Case Law Update: Business Assets, Income and Property Issues” (2005).
- Faculty for Minnesota CLE and Minnesota State Bar Association’s *25th Annual Family Law Institute*. Presentation entitled, “Case Law Update: Business Assets, Income and Property Issues” (2004).
- Faculty and Conference Committee Board Member for American Society of Appraisers’ *14th Annual Business Valuation Conference*. “Experts Learning from Experts.” Panelist in conference session entitled, “When Theory and Practice Collide” (2004).
- Faculty for Minnesota State Chapter National Association of Certified Valuation Analysts’ *Current Topics in Business Valuation*. Presentation entitled, “Succession Planning: Techniques and Tips for Transferring and Maximizing Wealth” (2003).
- Faculty for National Business Institute’s *Tax Aspects of Divorce in Minnesota*. Presentation entitled, “Valuation of a Closely Held Asset,” included the mechanics of performing a business appraisal and related Minnesota case law (2003, 2001, 1999 and 1997).

SPECIALIZED EDUCATION

- Attended Minnesota Chapter National Association of Certified Valuation Analysts’ 19th Annual Business Valuation Conference (2019).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts’ 18th Annual Business Valuation Conference (2018).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts’ *17th Annual Business Valuation Conference* (2017).
- Attended *17th Annual MNCPA Business Valuation Conference* (2017).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts’ *16th Annual Business Valuation Conference* (2016).
- Attended *16th Annual MNCPA Business Valuation Conference* (2016).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts’ *15th Annual Business Valuation Conference* (2015).

- Attended 15th Annual MNCPA Business Valuation Conference (2015).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts' *Current Topics in Business Valuation* Seminar (2014).
- Attended 14th Annual MNCPA Business Valuation Conference (2014).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts' *Current Topics in Business Valuation* Seminar (2013).
- Attended 13th Annual MNCPA Business Valuation Conference (2013).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts' *Current Topics in Business Valuation* Conference (2012).
- Attended 11th Annual MNCPA Business Valuation Conference (2011).
- Successfully completed American Society of Appraisers' *BV302: Special Topics in the Valuation of Intangible Assets* coursework and exam in Manhattan Beach (2011).
- Attended American Society of Appraisers' *Non-Marketable Investment Company Evaluation (NICE) Income Approach Method* Seminar (2011).
- Attended Minnesota Chapter National Association of Certified Valuation Analysts' *Advanced Techniques for Exceptional Report Writing, Parts I and II* Seminar (2010).
- Attended Minnesota State Chapter National Association of Certified Valuation Analysts' *2010 Current Topics in Business Valuation* Conference (2010).
- Successfully completed National Association of Certified Valuation Analysts' *Matrimonial Litigation Support Workshop* coursework and exam in Washington, D.C. (2010).
- Attended Consultants' Training Institute's *Owners' Compensation in Physician Practice Valuations* Seminar (2010).
- Attended Minnesota Chapter of the American Academy of Matrimonial Lawyers' *Divorce Camp* (2010).
- Attended American Society of Appraisers' *20th Annual Business Valuation Conference. "Powerful Valuations in a Weak Economy"* (2010).
- Successfully completed The Institute of Business Appraisers' *Business Appraisal Review Accreditation Workshop* in Chicago (2009).
- Attended American Society of Appraisers' *Understanding and Valuing Non-Competition Agreements* Seminar (2008).
- Attended VPS/FCG's *Is Morningstar Ibbotson Data Still Relevant?* Conference (2008).
- Attended Compliance Week's *Getting Ready for SFAS 141R, Business Combinations* Conference (2008).
- Attended Consultants' Training Institute's *Using Ibbotson SBBI Database* Seminar (2008).
- Successfully completed Association of Certified Fraud Examiners' *CFE Exam Review Course* in Austin, Texas (2008).
- Successfully completed American Society of Appraisers' *BV301: Valuation of Intangible Assets* coursework and exam in Chicago (2008).
- Attended VPS/FCG's *Cost of Capital: A Consensus View?* Conference (2008).
- Attended 7th Annual MNCPA Business Valuation Conference (2007).
- Attended Minnesota Chapter of the American Academy of Matrimonial Lawyers' *Divorce Camp* (2007).

John H. Heidebrecht, ASA, CFE, MAFF, CDFA, CAC, MBA

Professional Qualifications

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- Attended Business Valuation Resources' *Active & Passive Appreciation in Divorce Conference* (2007).
- Attended Business Valuation Resources' *Valuing Entertainment Assets Conference* (2007).
- Attended American Society of Appraisers' *17th Annual Business Valuation Conference. "Ever Forward: Learn How the Latest Professional Developments Affect Your Practice"* (2007).
- Attended 6th *Annual MNCPA Business Valuation Conference* (2006).
- Attended Business Valuation Resources' *The Transaction Method: Uses and Abuses of Market Data Conference* (2006).
- Attended Business Valuation Resources' *Early Stage Company Valuations Conference* (2006).
- Successfully completed all Economic Research Institute coursework and exams, earning the *Compensation Analyst Credential* (2006).
- Attended Dispute Resolution Services' *Mediation Training for Financial Professionals* (2006).
- Attended Business Valuation Resources' *Calculating Goodwill: What is Personal and What is Professional Conference?* (2006).
- Attended Merrill Lynch's *Investment Policy, Asset Allocation and Alternative Investments Seminar* (2005).
- Attended Merrill Lynch's *The Current M&A Market for Selling Businesses, Understanding the Process of Selling Your Business, and Maximizing the Value of Your Business for its Ultimate Sale Seminar* (2005).
- Attended Business Valuation Resources' *Succeeding as an Expert Witness Conference* (2005).
- Attended The National Center for Continuing Education's *Modern Financial Modeling*, including Advanced Workshop Sessions Covering Proper Financial Model Construction Techniques, Present and Future Value Modeling, Capital Budgeting Detailed Analysis and Modeling, Regression Analysis to Identify Key Revenue and Expense Drivers, Balance Sheet and Income Statement Forecasts and Projections, and Valuation Modeling and Analysis (2004).
- Attended 4th *Annual MNCPA Business Valuation Conference* (2004).
- Successfully completed Center for Advanced Valuation Studies' *CAVSCC: Cost of Capital* sponsored by the American Society of Appraisers in Kansas City (2004).
- ASA Twin Cities Chapter Delegate at *American Society of Appraisers International Appraisal Conference* in Kansas City (2004).
- Attended Business Valuation Resources' *How to Discount for Trapped-In Capital Gains Tax Conference* (2004).
- Attended Northwestern Mutual Financial Network's *Advanced Planning Program*, Including Workshop Sessions Covering Compensation Planning, Estate Planning and Business Planning (2004).
- Attended Business Valuation Resources' *Critical Issues in Divorce Valuation Conference* (2004).
- Attended American Society of Appraisers' *13th Annual Business Valuation Conference* (2003).
- Attended 2nd *Annual MNCPA Business Valuation Conference* (2002).

- Attended Minnesota Institute of Legal Education Seminar *Economic Damages* (2002).
- ASA Twin Cities Chapter Delegate at *American Society of Appraisers International Appraisal Conference* in San Diego (2002).
- Attended AICPA Webcast *Implementing FASB 141: A Practical Case Study of a Business Combination* (2002).
- Attended *AICPA National Business Valuation Conference* in Las Vegas (2001).
- Attended *1st Annual MNCPA Business Valuation Conference* (2001).
- Attended Minnesota State Bar Association Continuing Legal Education Seminar *Valuation Litigation: Best Practices for Business, Tax and Transactional Disputes* (2001).
- Attended American Society of Appraisers' *11th Annual Business Valuation Conference* (2001).
- Attended *AICPA National Business Valuation Conference* in Miami Beach (2000).
- Attended American Society of Appraisers *18th Annual Advanced Business Valuation Conference* in New Orleans (1999).
- Attended Ibbotson Associates' *Business Valuation: Cost of Capital Seminar* (1999).
- Attended CICBV / ASA *Joint Business Valuation Conference* in Montreal, Canada (1998).
- Successfully completed American Society of Appraisers' *BV204: Selected Advanced Topics* coursework and exam in Chicago (1997).
- Successfully completed American Society of Appraisers' *BV203: Business Valuation Case Study* coursework and exam in Denver (1997).
- Successfully completed American Society of Appraisers' *BV202: Introduction to Business Valuation, Part Two* coursework and exam in Chicago (1997).
- Successfully completed American Society of Appraisers' *BV201: Introduction of Business Valuation, Part One* coursework and exam in Chicago (1997).
- Attended American Society of Appraisers' *15th Annual Advanced Business Valuation Conference* in Memphis (1996).
- Attended *MNCPA Applying Valuation Techniques Seminar* (1996).
- Attended National Business Institute Seminar, Including Sessions Covering Tax Aspects of Divorce in Minnesota and Valuation of a Closely Held Business Asset (1996).

EXHIBIT B

Rancher's Legacy Meat Co.
Statement of Operations
~~YTD Through Period 12 - FY 2017 - FY 2019~~

updated 9/13/19

FY2019			
YTD Period 12 (April 2019)			
Actual			
	364 Days	Per Pound	
Pounds Sold (Actual)	10,960,370		
New Contract:			
Large Beef Patties - Distri. Ctr 1 (40# cases)	975,880		
Large Beef Patties - Distri. Ctr 2 (40# cases)	869,840		
Small Beef Patties - Distri. Ctr 1 (30# cases)	1,371,210		
Small Beef Patties - Distri. Ctr 2 (30# cases)	1,166,010		
New Contract Subtotal	4,382,940		
Total	15,343,310		
Pounds of Production			
Fresh & Frozen Ground Beef/Pork	9,681,752		
Portion-Cut Steaks	327,623		
Tolling	712,042		
Other	36,223		
Pounds Total	10,757,640		
Weeks	52		
Average Pounds Produced Per Week	206,878		
Sales	\$29,934,396	\$1.951	
Less - Marketing Allowances	(1,208,538)	(0.079)	
Net Sales	28,725,858	1.872	
Cost of Goods Sold			
Meat Costs	20,209,753	1.317	
Packaging Costs	1,556,389	0.101	
Freight to Customers' Location	1,193,729	0.078	
Total COGS	22,959,870	1.496	
Gross Margin	5,765,988	0.376	
Production Costs			
Production Labor	956,159	0.062	
Labor - PTO	50,578	0.003	
Labor - Holiday Pay	20,892	0.001	
Health Insurance	134,463	0.009	
Payroll Taxes - Company-portion	92,076	0.006	
401K Plan - Company-portion	16,519	0.001	
Workman Compensation Insurance	31,194	0.002	
Payroll Processing Costs	10,345	0.001	
Temporary Workers	1,243,126	0.081	
Total Production Labor	2,555,352	0.167	
Other Production Costs			
Utilities	228,805	0.015	
Garbage Removal	24,696	0.002	
Repairs & Maintenance	122,845	0.008	
Building Rent	99,189	0.006	
Equipment Lease Costs	47,225	0.003	
Real Estate Taxes	56,160	0.004	
Quality Control-Related Expenses	45,203	0.003	
Sanitation & Production Supplies	104,627	0.007	
Plant Cleaning Costs	277,547	0.018	
Insurance	93,872	0.006	
Other Production Costs	19,955	0.001	
Depreciation	144,530	0.009	
Total Production Costs	3,820,005	0.249	
Net Margin	1,945,982	0.127	
Operating Expenses			
Salaries & Benefits-Administrative	626,027	0.041	
Salaries & Benefits-Sales	514,974	0.034	
Travel & Entertainment	80,448	0.005	
Marketing Expenses	26,920	0.002	
Show Expenses	24,267	0.002	
Samples	67,292	0.004	
Sales Commissions/Broker Fees	296,425	0.019	
Repairs & Maintenance - IT	61,256	0.004	
Building Rent	53,409	0.003	
Real Estate Taxes	30,240	0.002	
Professional Services	41,461	0.003	
Depreciation	45,321	0.003	
Other	232,969	0.015	
Total S, G & A Expenses	2,101,009	0.137	
New Contract Assumptions			
Gross Margin Per Pound			
Incremental Margin - New Customer	\$0.250	1,095,735	0.071
Less: Variable Labor Costs	(0.127)	(556,633)	(0.036)
Less: Semi-Variable Costs	(0.020)	(87,659)	(0.006)
Net Margin After Incremental Variable Costs	\$0.103	451,443	0.029
Operating Income (Loss)	296,416	\$0.019	
Interest Expense			
Ratcliff Note	0	0.000	
Other	0	0.000	
Total Interest Expense	0	0.000	
Other Expense			
Debt service on Ochsner Equipment Note	-	0.000	
Platinum (\$97,500 x 2)	195,000	0.013	
Legal - Foley (\$97,500 x 2)	195,000	0.013	
Credit Committee (\$97,500 x 2)	195,000	0.013	
Adequate Protection to James Ratcliff (\$1,886.15 x 364)	686,559	0.045	
Payment of US Trustee Fees (1.0% x \$36,123,630)	361,236	0.024	
Total Other Expense	1,632,795	0.106	
Net Income (Loss)	(\$1,336,379)	(\$0.087)	
Total Expenses Less US Trustee Fees	\$36,123,630		
Average quarterly expenses less US Trustee Fees	\$9,030,907		

Rancher's Legacy Meat Co.

Total Cost Per Pound (New Contract)

<u>Large Patties</u>		<u>Small Patties</u>		
\$	1.48	\$	1.45	Sale Price Per/lb.
	0.25		0.25	Less: Incremental Margin - New Customer
\$	1.23	\$	1.20	Raw Materials Cost of Sales
	0.13		0.13	Less: Variable Lablor Costs
	0.02		0.02	Less: Semi-Variable Costs
\$	1.38	\$	1.35	Total Cost Per Pound
	1,845,720		2,537,220	Total Pounds
\$	2,543,402	\$	3,427,784	Total Cost
\$	2,733,511	\$	3,689,118	Revenue
	(2,543,402)		(3,427,784)	Less: Total Cost
\$	190,109	\$	261,334	Net Margin After Incremental Variable Costs
	\$		451,443	Total Net Margin After Incremental Variable Costs

Rancher's Legacy Meat Co.

	YTD Period 12 (April 2019)	
	364 Days	Per Pound
Net Income (Loss)	\$ (1,336,379)	(\$0.087)
Divided by: # weeks in a year	52	
Average Net Loss Per Week	(25,700)	
Average Loss For 13 Week Period	\$ (334,095)	

EXHIBIT C

Updated 10/18/2015

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	etition Date 9/20/19	Actual 9/27/19	Actual 10/4/19	Actual 10/11/19	Actual 10/18/19	Week 2 10/25/19	Week 3 11/1/19	Week 4 11/8/19	Week 5 11/15/19	Week 6 11/22/19	Week 7 11/29/19	Week 8 12/6/19	Week 9 12/13/19	Week 10 12/20/19	Week 11 12/27/19	Week 12 1/3/20	Week 13 1/10/20	Week 14 1/17/20	Week 15 1/24/20	Week 16 1/31/20	Week 17 2/7/20	Week 18 2/14/20	Week 19 2/21/20	Week 20 2/28/20	Week 21 3/6/20	Week 22 3/13/20	Week 23 3/20/20	Week 24 3/27/20	Week 25 4/3/20	Week 26 4/10/20	Week 27 4/17/20	Week 28 4/24/20	Week 29 5/1/20	Week 30 5/8/20	Week 31 5/15/20	Week 32 5/22/20	Week 33 5/29/20	Week 34 6/5/20	Week 35 6/12/20	Week 36 6/19/20	Week 37 6/26/20	Week 38 7/3/20	Week 39 7/10/20	Week 40 7/17/20	Week 41 7/24/20	Week 42 7/31/20	Week 43 8/7/20	Week 44 8/14/20	Week 45 8/21/20	Week 46 8/28/20	Week 47 9/4/20	Week 48 9/11/20	Week 49 9/18/20	Week 50 9/25/20	Week 51 10/2/20	Week 52 10/9/20	Week 53 10/16/20	Week 54 10/23/20	Week 55 10/30/20	Week 56 11/6/20	Week 57 11/13/20	Week 58 11/20/20	Week 59 11/27/20	Week 60 12/4/20	Week 61 12/11/20	Week 62 12/18/20	Week 63 12/25/20	Week 64 1/1/21	Week 65 1/8/21	Week 66 1/15/21	Week 67 1/22/21	Week 68 1/29/21	Week 69 2/5/21	Week 70 2/12/21	Week 71 2/19/21	Week 72 2/26/21	Week 73 3/5/21	Week 74 3/12/21	Week 75 3/19/21	Week 76 3/26/21	Week 77 4/2/21	Week 78 4/9/21	Week 79 4/16/21	Week 80 4/23/21	Week 81 4/30/21	Week 82 5/7/21	Week 83 5/14/21	Week 84 5/21/21	Week 85 5/28/21	Week 86 6/4/21	Week 87 6/11/21	Week 88 6/18/21	Week 89 6/25/21	Week 90 7/2/21	Week 91 7/9/21	Week 92 7/16/21	Week 93 7/23/21	Week 94 7/30/21	Week 95 8/6/21	Week 96 8/13/21	Week 97 8/20/21	Week 98 8/27/21	Week 99 9/3/21	Week 100 9/10/21	Week 101 9/17/21	Week 102 9/24/21	Week 103 10/1/21	Week 104 10/8/21	Week 105 10/15/21	Week 106 10/22/21	Week 107 10/29/21	Week 108 11/5/21	Week 109 11/12/21	Week 110 11/19/21	Week 111 11/26/21	Week 112 12/3/21	Week 113 12/10/21	Week 114 12/17/21	Week 115 12/24/21	Week 116 1/7/22	Week 117 1/14/22	Week 118 1/21/22	Week 119 1/28/22	Week 120 2/4/22	Week 121 2/11/22	Week 122 2/18/22	Week 123 2/25/22	Week 124 3/4/22	Week 125 3/11/22	Week 126 3/18/22	Week 127 3/25/22	Week 128 4/1/22	Week 129 4/8/22	Week 130 4/15/22	Week 131 4/22/22	Week 132 4/29/22	Week 133 5/6/22	Week 134 5/13/22	Week 135 5/20/22	Week 136 5/27/22	Week 137 6/3/22	Week 138 6/10/22	Week 139 6/17/22	Week 140 6/24/22	Week 141 7/1/22	Week 142 7/8/22	Week 143 7/15/22	Week 144 7/22/22	Week 145 7/29/22	Week 146 8/5/22	Week 147 8/12/22	Week 148 8/19/22	Week 149 8/26/22	Week 150 9/2/22	Week 151 9/9/22	Week 152 9/16/22	Week 153 9/23/22	Week 154 9/30/22	Week 155 10/7/22	Week 156 10/14/22	Week 157 10/21/22	Week 158 10/28/22	Week 159 11/4/22	Week 160 11/11/22	Week 161 11/18/22	Week 162 11/25/22	Week 163 12/2/22	Week 164 12/9/22	Week 165 12/16/22	Week 166 12/23/22	Week 167 12/30/22	Week 168 1/6/23	Week 169 1/13/23	Week 170 1/20/23	Week 171 1/27/23	Week 172 2/3/23	Week 173 2/10/23	Week 174 2/17/23	Week 175 2/24/23	Week 176 3/3/23	Week 177 3/10/23	Week 178 3/17/23	Week 179 3/24/23	Week 180 3/31/23	Week 181 4/7/23	Week 182 4/14/23	Week 183 4/21/23	Week 184 4/28/23	Week 185 5/5/23	Week 186 5/12/23	Week 187 5/19/23	Week 188 5/26/23	Week 189 6/2/23	Week 190 6/9/23	Week 191 6/16/23	Week 192 6/23/23	Week 193 6/30/23	Week 194 7/7/23	Week 195 7/14/23	Week 196 7/21/23	Week 197 7/28/23	Week 198 8/4/23	Week 199 8/11/23	Week 200 8/18/23	Week 201 8/25/23	Week 202 9/1/23	Week 203 9/8/23	Week 204 9/15/23	Week 205 9/22/23	Week 206 9/29/23	Week 207 10/6/23	Week 208 10/13/23	Week 209 10/20/23	Week 210 10/27/23	Week 211 11/3/23	Week 212 11/10/23	Week 213 11/17/23	Week 214 11/24/23	Week 215 12/1/23	Week 216 12/8/23	Week 217 12/15/23	Week 218 12/22/23	Week 219 12/29/23	Week 220 1/5/24	Week 221 1/12/24	Week 222 1/19/24	Week 223 1/26/24	Week 224 2/2/24	Week 225 2/9/24	Week 226 2/16/24	Week 227 2/23/24	Week 228 3/1/24	Week 229 3/8/24	Week 230 3/15/24	Week 231 3/22/24	Week 232 3/29/24	Week 233 4/5/24	Week 234 4/12/24	Week 235 4/19/24	Week 236 4/26/24	Week 237 5/3/24	Week 238 5/10/24	Week 239 5/17/24	Week 240 5/24/24	Week 241 5/31/24	Week 242 6/7/24	Week 243 6/14/24	Week 244 6/21/24	Week 245 6/28/24	Week 246 7/5/24	Week 247 7/12/24	Week 248 7/19/24	Week 249 7/26/24	Week 250 8/2/24	Week 251 8/9/24	Week 252 8/16/24	Week 253 8/23/24	Week 254 8/30/24	Week 255 9/6/24	Week 256 9/13/24	Week 257 9/20/24	Week 258 9/27/24	Week 259 10/4/24	Week 260 10/11/24	Week 261 10/18/24	Week 262 10/25/24	Week 263 11/1/24	Week 264 11/8/24	Week 265 11/15/24	Week 266 11/22/24	Week 267 11/29/24	Week 268 12/6/24	Week 269 12/13/24	Week 270 12/20/24	Week 271 12/27/24	Week 272 1/3/25	Week 273 1/10/25	Week 274 1/17/25	Week 275 1/24/25	Week 276 1/31/25	Week 277 2/7/25	Week 278 2/14/25	Week 279 2/21/25	Week 280 2/28/25	Week 281 3/6/25	Week 282 3/13/25	Week 283 3/20/25	Week 284 3/27/25	Week 285 4/3/25	Week 286 4/10/25	Week 287 4/17/25	Week 288 4/24/25	Week 289 5/1/25	Week 290 5/8/25	Week 291 5/15/25	Week 292 5/22/25	Week 293 5/29/25	Week 294 6/5/25	Week 295 6/12/25	Week 296 6/19/25	Week 297 6/26/25	Week 298 7/3/25	Week 299 7/10/25	Week 300 7/17/25	Week 301 7/24/25	Week 302 7/31/25	Week 303 8/7/25	Week 304 8/14/25	Week 305 8/21/25	Week 306 8/28/25	Week 307 9/4/25	Week 308 9/11/25	Week 309 9/18/25	Week 310 9/25/25	Week 311 10/2/25	Week 312 10/9/25	Week 313 10/16/25	Week 314 10/23/25	Week 315 10/30/25	Week 316 11/6/25	Week 317 11/13/25	Week 318 11/20/25	Week 319 11/27/25	Week 320 12/4/25	Week 321 12/11/25	Week 322 12/18/25	Week 323 12/25/25	Week 324 1/1/26	Week 325 1/8/26	Week 326 1/15/26	Week 327 1/22/26	Week 328 1/29/26	Week 329 2/5/26	Week 330 2/12/26	Week 331 2/19/26	Week 332 2/26/26	Week 333 3/5/26	Week 334 3/12/26	Week 335 3/19/26	Week 336 3/26/26	Week 337 4/2/26	Week 338 4/9/26	Week 339 4/16/26	Week 340 4/23/26	Week 341 4/30/26																																																																																																																																																																																																																																																														
A/R receipts		\$ 588,547	\$ 584,810	\$ 599,312	\$ 643,492	\$ 726,458	\$ 700,000	\$ 650,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 625,000	\$ 675,000	\$ 650,000	\$ 600,000	\$ 500,000	\$ 600,000	\$ 500,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 8,300,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															